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Chile

Food and Agricultural Import Regulations and Standards

Annual

2006

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Report Highlights:

Please note that there are new regulation on Organic products and new regulation being discussed on GMO products. Also Agriculture and Livestock Service (SAG) is requiring that Spanish language labels be applied at point of production on all U.S. beef products.

Includes PSD Changes: No Includes Trade Matrix: No Annual Report Santiago [CI1] [CI]

Table of Contents

Section I. Food Laws	
Section II. Labeling Requirements	
General Requirements	
Requirements Specific to Nutritional Labeling	
Health Claims	
Organic Labeling	6
GMO Labeling	
Section III. Packaging and Container Regulations	7
Section IV. Food Additive Regulations	
Section V. Pesticide and Other Contaminants	
Section VI. Other Regulations and Requirements	8
Section VII. Other Specific Standards	
Dr. Hector Escobar	
Section VIII. Copyright and/or Trademark Laws	12
Section IX. Import Procedures	
A. Customs Clearance	
B. Clearance for Sale within Chile	14
C. Recommended Documents for Facilitating Clearance	14
Appendix I. Government Regulatory Agency Contacts	
Appendix II. Other Import Specialist Contacts	

Section I. Food Laws

Chile actively participates in the World Trade Organization and the CODEX Alimentarius Commission. Because Chile is concerned that unscientific technical trade barriers may adversely affect its exports, the government supports the standardization of sanitary and phytosanitary trading regulations.

The Agriculture and Livestock Service (Servicio Agricola y Ganadero - SAG) of the Ministry of Agriculture has a good record of notifying changes in plant & animal health legislation to the WTO, partly because the notification office is located in this ministry. Changes in Ministry of Health' requirements are reported more sporadically, as these are communicated through the Ministry of Agriculture's office. SAG is responsible for enforcing Chile's import regulations concerning alcoholic beverages, organic foods, animal and plant quarantine, and the grading and labeling of beef and some processed food products both for human and animal consumption including petfood, feed and feed supplements.

The Ministry of Health is responsible for food sanitation, including meat and poultry and the approval of food ingredients, labels, and packaging of processed foods. The Ministry is currently bringing Chile's food sanitation regulations into conformity with CODEX standards.

Decree 977 is posted in both English (unofficial) and Spanish. Also check the Metropolitan Environmental Health Service's home page (SESMA - Servicio de Salud Metropolitano del Ambiente) http://www.sesma.cl/ under "Alimentos" - "Normativas" - Reglamento Sanitario de Alimentos (Chile's Food Sanitary Regulation) for the Spanish version.

In November 25th, 2003, the Ministry of Health published a significant revision of Decree No. 977. The English translation of this document can be found at the U.S. embassy website, http://www.embajadaeeuu.cl/ temporal/1011/Website/2003/Food%20Law/fasinden.htm

Section II. Labeling Requirements

General Requirements

(See Title 2, Paragraphs 106 to 112 of Decree 977 in http://www.embajadaeeuu.cl/_temporal/1011/Website/2003/Food%20Law/fasinden.htm)

All imported products shall comply will all labeling provisions hereunder. Any information required hereunder and not included on the original label, not in Spanish, or not shown as provided hereunder, shall be added on a label affixed permanently to the container, of adequate size and location, and including at least the information on the original label.

Importers who are importing food products in the Metropolitan Region (Santiago) should submit labels to the Secretaria Regional Ministerial de Salud (SEREMI de Salud) Bulnes 194, Santiago for review and approval prior to importation. For other Regions importers have to submit requests to their Regional SEREMI de Salud offices. The other principal ports of entries are:

- Iquique, contact: seremisalud1@yahoo.es, Address: San Martin 255 Of. 114; Iquique; Phone: 56-57-510484.
- Valparaiso and San Antoni, contact: secresalud5@123.cl, Address: Melgarejo 669 Piso 6 Valparaiso; Phone: 56-32-218304.
- Talcahuano, contact: raguayo@slauddelbiobio.tie.cl, Address: Caupolican 518 Of. 510, Concepcion; Phone: 56-41-227044.

Labels must be in Spanish, but the information may be repeated in another language. Sticker labels may be used, but must first be approved. Labels must bear the following information:

- 1. Name of the food product.
- 2. Net content in metric units. Net content stated in units of the metric system or the international system using the unit symbol or the complete word. Net content figures shall not be accompanied by any ambiguous term. Food items packed in a liquid medium shall carry, in addition to net content, a statement giving the drained weight of the item in units of the metric system or international system.
- 3. Name or company name and address of the manufacturer, packer, distributor, or importer, as appropriate.
- 4. Country of Origin shall be stated clearly on domestic as well as imported products. [If processing in Chile results in a change in the product's physical, chemical, biological or organic properties, it is considered a local product for labeling purposes. If the product is only repackaged in Chile, both this fact and the country of origin must be indicated.]
- 5. Number and date of resolution together with the name of the health agency responsible for authorizing the establishment processing or packing the item or authorizing import.
- 6. Date of manufacture or packing date. [A production lot code may be used.]
- 7. Expiration date, or shelf life (in terms of days, months or years). Items where processing date is given with the lot key number shall show duration by stating the expiry date, while items specifying the processing date may use either expiry date or term of duration. All items stated to be of "indefinite duration" must show the date when processed.
- 8. List of all ingredients in decreasing concentration, including quantity or percent.
- 9. List of all additives in decreasing concentration.
- 10. List of ingredients shall include any food additive used in the raw materials and other ingredients of a food item and transferred thereto in sufficient quantity to perform a technological function.
- 10. Instructions for storage, including refrigeration, if special conditions are required for the product to satisfy its minimum duration period or last to its expiration date.
- 11. Instructions for use.

In the case of frequently imported items, where the import and consumption permits are issued by the same health agency, the health agency may authorize labeling in the country of origin. The agency must then publish a resolution authorizing subsequent imports and the label must show the date and number of the resolution, as well as the name of the authorizing agency. For food items imported under the above provision, the package label must have an indelible key number that shows the production batch or lot and all the other labeling standards. Import and consumption permits will be issued on an individual batch basis, each batch being subject to all the controls. Please see Section IX regarding the requirements for beef.

All food products in container have to be labeled including institutional packed size. The only exception is for products imported without a commercial value and a volume of less than 20 kilos. These products cannot be sold in the local market.

Requirements Specific to Nutritional Labeling

(See Title 2, Paragraphs 114 to 120 of Decree 977 in http://www.embajadaeeuu.cl/_temporal/1011/Website/2003/Food%20Law/fasinden.htm

Nutritional labeling is required for processed food products. In general, Chile requires less nutritional information on labels than the U.S. Food and Drug Administration. Nutritional

claims must be scientifically recognized, shall neither encourage unnecessary consumption nor give the impression that consumption offers protection against sickness or any debilitating condition, and shall be approved by the Ministry of Health. A nutritional label must contain the following information.

- 1. Value of energy in calories.
- 2. Quantities of protein, available carbohydrates, and fats in grams (available carbohydrates being understood to mean total carbohydrates excluding dietary fiber).
- 3. Quantity of any other nutrient, dietary fiber, and cholesterol, concerning which a representation of properties is made. Cholesterol content shall be included in all food items representing nutritional or health-related claims in connection with fat or cholesterol.

Values are to be given per 100 g or 100 ml, and per serving. Number of servings in the container, size of the serving in domestic units and grams (g) or millimeters (ml) shall be stated.

Values given in the representation of nutrients shall be weighted average values derived from data specifically obtained from analyses of products representative of the product subject to representation.

In addition to the above three points nutritional information must include the following information:

- when a representation of nutritional properties is made regarding quantity or type of carbohydrates, total sugars shall be given. Quantity of starch and other carbohydrate constituents may be shown also. All this information shall be stated immediately following the representation of total carbohydrate content.
- when a representation of nutritional properties regarding dietary fiber is made, quantity and percentage of soluble and insoluble fiber shall be shown.
- when nutritional properties associated to quantity and type of fatty acids are specifically represented, quantities of saturated, monounsaturated, polyunsaturated fatty acids, and cholesterol shall be given immediately following representation of total fat content.

Representation of nutritional properties, representation of health-related properties, representation of nutrients, and supplementary nutritional information shall adhere to the technical standards issued on the subject by the Ministry of Health, to be published in the Official Gazette.

When a representation of nutrients is made, vitamins and minerals may also be listed if present in significant quantities, 5% or more of the recommended intake for the relevant population. For the population over four years of age, the Daily Reference Dose (DRD) shall be used for energy, protein, vitamins, and minerals proposed in the Codex Alimentarius; for vitamin E, biotin, pantotenic acid, copper, and selenium, not specified in the Codex Alimentarius, the Reference Daily Intake (RDI) values proposed by the US Food and Drug Administration shall be used.

For infants and children under four years of age, pregnant and nursing women, the relevant RDIs shall be used as Daily Reference Dose. For iron and vitamin A during pregnancy the Daily Reference Dose shall be 30 md/day for iron and 800 mcg/day for vitamin A, as established in the Nutritional Guidelines of the Ministry of Health.

Numerical information on vitamins and minerals shall be given in metric units, international system for 100 g or 100 ml, for one serving, in percentage of the recommended Daily Reference Dose, and per container if only one serving is contained therein. In addition, such information shall be given per serving on the label when the number of servings per container is shown.

Supplementary nutritional information that may be added to the representation of nutrients shall be intended to aid consumer understanding of the nutritional value of the food item concerned and help consumers to interpret the representation of nutrient(s).

In February 2005, the Ministry of Health published Decree 57, modifying the nutrition labeling requirements. These changes will take effect November 6, 2006. The Ministry of Health gave industry 18 months to adjust to the new requirements. The new nutrition labeling requirements make the following items mandatory on a label:

- Calories
- Fat content
- Proteins
- Disposable carbon hydrates
- Sodium

Additionally, when the fat contents exceed 5 grams per serving the amounts of saturated, poli saturated and mono unsaturated fats and cholesterol must be listed on the label.

For additional information on labeling please contact the Labeling Department of the SEREMI:

Olivares Street # 1229 8° Floor

SANTIAGO

Phone: 56-2-399-2633

Contact: Ms. Lorena Contreras (lcontreras@sesma.cl) or

Mr. Mauricio Yanez (<u>mauricio.yanez@sesma.cl</u>)

Health Claims

See Sections II, B and Sections IV and VII.

Organic Labeling

Organic products have the same labeling requirements as any other normal product. There is a mandatory certification requirement to market organic products in Chile. Law 20089 from 01/17/2006 establishes that the labels "Organic product, ecological product or biological product" must be certified.

GMO Labeling

Biotechnological events modifying certain foods and/or alimentary raw materials for human consumption and new foods, ingredients, and alimentary raw materials must be reviewed and specifically approved by the Ministry of Health at which point the product may be used in domestic and imported foods. (See Title 1, Paragraphs 3 of Decree 977 in http://www.embajadaeeuu.cl/ temporal/1011/Website/2003/Food%20Law/fasinden.htm)

Chile only allows transgenic seeds to be reproduced under strict field controls especially for export; there are no labeling requirements on these exported seeds.

Currently there is an initiative from Deputy Health Committee that would establish mandatory labeling for food and bulk products that were manufacture with ingredients or

additives that had been genetically modified or were transgenic, the initiative is now on the Senate Health Committee and is expected to be voted during the year, the language suggested is "Transgenic product".

Section III. Packaging and Container Regulations

Plastic packaging materials must not transfer more than 0.05 ppm of vinyl chloride or acrylonitrile or any other substance utilized in the manufacture of plastic elements that may be harmful to health.

All plastic utensils, vessels, containers, packing, wrappings, sheets, film, parts of apparatus, piping, and accessories making contact with food items and raw materials thereof, shall not contain residual monomers amounting to more than 0.25% styrene, 1 ppm vinyl chloride, and 11 ppm acrylonitrile. Likewise, all objects made of plastics shall not release into food more than 0.05 ppm vinyl chloride or acrytonitrile, or other substance used in plastics manufacture that may be health hazards.

Plastic net bags are customarily used to pack citrus, onions and potatoes. They are also used for grapes and other fruits. Plastic trays with plastic film covers are used for a wide variety of fruits and vegetables.

In Chile recycling is voluntary, there is no mandatory program or symbol to be used on recyclable containers. The international symbol of three arrows forming a circle is commonly used by the industry when the containers are recyclable.

Section IV. Food Additive Regulations

All additives must comply with the identification, purity and toxicity evaluation rules in accordance with the Codex Alimentarius. It is mandatory that additives be indicated on the label with their specific name, according to the International Numbering System (S.I.N.) and in decreasing concentration order. The exceptions to this rule are flavorings, which may be listed in a generic manner without any ingredient detail.

Only additives on the positive list found in Title 3, Paragraph II of Chile's food regulations (Decree 977 in http://www.usembassy.cl/ under Embassy, Trade/Food/Agriculture) may be used. The Ministry of Health may add to this list by further decree, if there is a need.

The addition of substances for therapeutic purposes (pharmaceutical ingredients) is prohibited. In addition, the use of an additive is prohibited if it significantly reduces the nutritional value of an important ingredient (with the exception of dietetic products), conceals poor quality, or misleads the consumer regarding the quantity or nature of the food product.

See Section VII for "fortified" or vitamin enriched foods.

Section V. Pesticide and Other Contaminants

Chile follows the Codex guidelines for pesticide residues on food. The Ministry of Health is responsible for establishing tolerance levels allowed in food products for pesticide residues, heavy metals, and mycotoxin and microbiological contamination and enforces the regulations. Random controls are performed and the office responsible for these controls is:

Mr. Carlos Pavletic

Ministry of Health Mac-Iver 459 Piso 8°

Santiago

Tel.: (56 2) 630-0575 Fax: (56 2) 664-9150 E-mail: <u>cpavletic@minsal.cl</u>

Maximum tolerance levels are set for all approved pesticides. CODEX maximum residue limits are accepted for imported food products.

The Ministry of Agriculture's Agricultural and Livestock Protection Service (SAG) must approve the use of pesticides. This agency regulates the use of pesticides in Chile. For more information regarding approvals and/or maximum residue level, contact:

Mr. Arturo Correa B.
Division of Plant Protection
Agricultural and Livestock Protection Service (SAG)
Ministry of Agriculture
Av. Bulnes 216 Of. 603
Santiago, Chile

Tel.: (56 2) 695-0805 Fax: (56 2) 687-9607

A list of approved pesticides can be obtained through SAG's web page http://www.sag.gob.cl Once you open the web page select:

Ambito Agricola

Then select:

Plaguicidas y Fertilizantes

Then select:

Plaguicidas autorizados

Then Download an EXCEL file for a list of approved pesticides, or send inquiries about pesticides to: plaquicidas@sag.gob.cl

You can also see FAS Import Policy Report C14020 on "Frequently asked questions about pesticides located on the U.S. Embassy website under Trade/Food and Agriculture (http://www.usembassy.cl/OpenDocs/asp/pagDefault.asp?boton=Doc26&argInstanciald=26&argCarpetald=278&argTreeNodosAbiertos=(0)&argTreeNodoSel=278&argTreeNodoActual=278)

Section VI. Other Regulations and Requirements

(Product Registration, Testing, Certification, Special Documentation or Conformity Assessment Requirements).

There are no mandatory quality certification standards for fruits and vegetables. As a result of the U.S.-Chile FTA, U.S. meat grading standards are now accepted in Chile. Since Chile provides grades for all parts of animal, be sure to consult both the AMS Verification Program (http://www.ams.usda.gov/) and the FSIA export library

(http://www.fsis.usda.gov/Regulations_&_Policies/Chile_Requirements/index.asp)

See Section IX below for meat and poultry or check the Chilean Agriculture and Livestock Service's webpage (http://www.sag.cl/) for the requirements.

Section VII. Other Specific Standards

- 1. Consumer Packaging or Municipal Waste Disposal: Containers and wrappers used in the distribution of food products must be made or lined with materials that will resist the transfer of toxic or contaminating substances that might modify the organoleptic or nutritional nature of the products. The packaging in immediate contact with the food can not be recycled.
- **2. Weights and Measures:** The net content must be expressed on the label in units of the metric system. For those food products packed in a liquid medium, the drained content of the product must also be indicated.
- **3. Vitamin Enrichment Requirements:** The Ministry of Health has established maximum limits for vitamins and minerals added for food. See table below. Resolution N° 393 and N° 394 dated February 20, 2002 are the applicable regulations. Beyond these levels, the food becomes a food supplement and it must receive specific approval from the Ministry of Health.

Vitamins	% RDA/Serving
Hydro-soluble vitamins	50
Vitamin C	100
E and K oil-soluble vitamins	100
A oil-soluble vitamins	25
D oil-soluble vitamins	40

The above limits do not apply to foods designed for special regimes, such as foods fortified to address a specific public health need. A calcium fortification limit is set by the Ministry of Health for each specific food product, according to the type of calcium salts used and the target population of the product.

- **4. Novel Foods:** These types of products do not have any specific labeling requirements; they have to comply with the same regulations as any other food product.
- **5. Dietetic or Special Use Foods:** Chilean food regulation defines food for special diets as food specially prepared or processed to meet particular nutrition demands owing to specific physical, physiological, or metabolic conditions. The composition should be substantially different from ordinary food of similar nature, if any. Synthetic ingredients replacing lipids, carbohydrates, diet fiber, and other nutrients used in such food shall, for authorization purposes, adhere to technical standards issued on the subject by the Ministry of Health. Such foods are required to carry a statement of nutritional and health properties, as provided hereunder.

In additional to nutritional information and general labeling, description of essential characteristics of the product should be stated close to the name of the food. The total quantity of specific nutrients or other components whereto the essential characteristic is due

that makes such food appropriate for a special diet should be stated per 100 g or per 100 ml or per serving.

Food for weigh control should state in their nutritional information the phrase "Food for weigh control". The same happens with low-fat and/or low-calorie foods, which besides the main designation of the food name and the nutritional information, it should state the category or essential characteristic of the food as "low-..." or "...-free".

See Title 28, Paragraph 8 of Decree 977 regarding infant formula, regarding commercial preparations of children's food, food for low-sodium diets, cereal-based processed foods for children, food for low-sodium diets, gluten-free diets, for weight-control diets, and low fat and low calorie food products in www.usembassy.cl under Embassy, Trade/Food/Agriculture.

6. Food Sanitation Laws/Guidelines:

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Decree No. 725, 1968.
Decree No. 2763, 1979.
Decree No. 977, August 6<sup>th</sup>, 1996.
Decree No. 807, February 3<sup>rd</sup>, 1998.
Decree No. 1844, November 10<sup>th</sup>, 1998.
Decree No. 855, July 31st, 1999.
Decree No. 475, January 13<sup>th</sup>, 2000.
Decree No. 897, February 8<sup>th</sup>, 2000.
Decree No. 824, March 9<sup>th</sup>, 2000.
Decree No. 90, April 28<sup>th</sup>, 2000.
Decree No. 165, May 26<sup>th</sup>, 2000.
Decree No. 238, May 26th, 2000.
Decree No. 287, February 28<sup>th</sup>, 2002.
Decree No. 253, January 20<sup>th</sup>, 2003.
Decree No. 79, June 24th, 2003.
Decree No. 81, July 24th, 2003.
Decree No. 115, November 25<sup>th</sup>, 2003.
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- **7. Fish and Seafood:** See Titles 12 (fish) and 13 (shellfish) of Decree 977 in http://www.usembassy.cl/ under Embassy, Trade/Food/Agriculture.
- **8. Animal Quarantine:** The Ministry of Agriculture, Department of Livestock Protection, enforces strict salmonella testing on imports of fresh and frozen poultry as a quarantine measure. If any samples of a shipment are found to be positive for salmonella, the shipment may not enter the country. Also there are animal health and sanitary strict requirements including materials that can be used during processing. Cooked poultry meat may enter Chile under the conditions specified in Regulation No. 1597 of June 4, 1997, issued by the Division of Livestock Protection, SAG. Currently the plant must be inspected and approved by SAG. However, under the US Chile FTA both technical services are working on an equivalency agreement that would allow each agency to certify plants to export to each country.

The most current requirements for poultry and processed poultry products can be found on the Ministry of Agriculture, Department of Livestock Protection Service's (SAG) web page: http://www.sag.gob.cl/. Also see "poultry and poultry products requirements" translated in Import Requirements SAG: Poultry Processed Meat, Cooked Poultry Meat, Dairy Products and Pet Food on the U.S. embassy website

http://www.usembassy.cl/ temporal/4148/Website/Resolutions/Certificate%20Report.htm

The current red meat import requirements are available on SAG's web page. Resolution # 833, which establishes the Sanitary Requirements for Imports of Red Meat (beef), states that:

- the bovine meat being imported must be covered by an official certificate issued by the corresponding sanitary authority in the country of origin (the US Food Safety Inspection Service [www.fsis.usda.gov] in the United States), in which it is indicated the zone and the place of origin of the animal, the name of the slaughter house and its number, the identification of the product, the specie of the animal, the number of boxes in the shipment, the quality and grade of the meat, the name of the cuts, the identity of the exporter and importer and the means of transport. The grading certificate has to be attached to the health certificate.
- Animals must come from an area free of Foot and Mouth Disease, Bovine Pest, Bovine Contagious Pleuropneumonia and BSE.
- Animals and products must comply with the requirements in Resolutions #3138, which establishes the requirements for approving production facilities in the country of origin and Resolution #1150, which is an amendment to the general requirements of importing animals and by-products.
- In the case of beef, the product must be labeled according to Decree 239/1993 of the Ministry of Agriculture, in Spanish at the point of production. The resolution also establishes that a label has to be inserted on each cut (between the meat and the plastic) and another in the box. Further conversation with the authority concluded on the possibility to put the label of the cut outside the plastic.

To get the import requirements from SAG's web page go to www.sag.gob.cl and under Imports, click on:

- "Sistema de importaciones agricolas" for plants
- "Sistema de importaciones pecuarias" for livestock
- "Establecimientos pecuarios habilitados" for authorized facilities

For additional information from SAG you can contact:

Dr. Hector Escobar

Bulnes 140 Santiago, Chile

Tel.: (56 2) 341-1417

E-mail: hector.escobar@sag.gob.cl

9. Wine, Beer and Other Alcoholic Beverages: The wine and alcoholic beverage industries are regulated by the Servicio Agrícola y Ganadero. Labels on wine may indicate origin, variety of grape, and year of harvest when at least 75% of the grapes used to produced the wine fit the description used. The expression *"Estate Bottled"* or similar expressions may be used when the wine comes from grapes grown on lands owned or rented by the vineyard and located in the same geographical area as the denomination of origin. SAG's authority to enforce the labeling law is found under law No. 18.455. For further information, contact:

Antonio Aluanlli Servicio Agrícola y Ganadero Departmento Proteccion Agricola Subdepartamento Vinas y Vinos Av. President Bulnes No. 140 Santiago Phone: (56-2) 696-6490 Fax: (56-2) 696-6480

Email: vinas@saq.minagri.gob.cl

Wine, beer and other alcoholic beverages of domestic and/or import origin are subject to a tax which is 27% for alcoholic beverages (i.e. liquor, whisky, etc.) and 15% for wine and beer. Additionally all alcoholic beverages are subject to a 19% Value Added Tax.

10. Organic Foods and Health Foods: The market for organic foods within Chile is small, but domestic production is growing. With a view toward developing the industry, the National Institute of Standards (Instituto Nacional de Normalizacion) in 1999 established Norma NCh2439, which establishes the voluntary principles or rules for the production (with set periods for certification), packaging, labeling and sale of organic products for export. Norma Nch 2079, approved in March 2000, establishes the general criteria for the accreditation of organizations certifying products as "organic." A law establishing the criteria for the organic certification is being discussed at this moment in Congress and will have to be passed before the end of December, when the authorization for external organic certification companies (American, European) will expire, per Chile's Free Trade Agreements with the United States and the European Union. The Agriculture and Livestock Service (Servicio Agrícola y Ganadero – SAG) regulates organic production and certification, they can be reached at:

Contact: Gonzalo Narea Servicio Agrícola y Ganadero Av. Bulnes 197 Piso 3°

Santiago

Tel.: (56 2) 698-6517

E-mail: gonzalo.narea@sag.gob.cl

- **11. Product Samples:** A sample is considered of no commercial value when its weight does not exceed 20 kilograms of solid product. In the case of additives, or granulated products, the limit is 250 grams. In the case of higher quantities for personal use or for laboratory samples, these must be certified through a notary public letter. This letter is necessary for Customs clearance.
- **12. Irradiated Foods:** Chile permits the irradiation of food products. See Title 6 of Decree 977 for further information (http://www.usembassy.cl/). The irradiation of foods shall be done in conformity with the Code of Good Irradiation Practices of the International Consultative Group for Irradiation of Foods established under the auspices of the Food and Agricultural Organization of the United Nations (FAO), the International Atomic Energy Agency and the World Health Organization. When more than 5% of a product's ingredients have been treated with radiation or ionizing energy, the label must indicate very close to the product name the treatment employed, using phrases such as: "treated with ionizing energy", "processed with ionizing energy" or "preserved with ionizing energy". It may also carry the logo or symbol, internationally acknowledged for these effects. Decree 977 does not limit the use of radiation to particular food products.

Section VIII. Copyright and/or Trademark Laws

Chile belongs to the World Intellectual Property Organization, and patents, trademarks, industrial designs, models, and copyrights are protected in Chile by the provisions of the International Convention for the Protection of Industrial Property (the Paris Convention).

However, Chile's intellectual property regime is currently not WTO/TRIPS compliant.

The U.S.-Chile FTA requires Chile to accede to several international IPR agreements, e.g., the Patent Cooperation Treaty (1984) and the Trademark Law Treaty (1994). In general terms, the FTA provides that full implementation of the agreement's various IPR obligations must be completed by each country within two to five years. Under the terms of the FTA, Chile also agreed that trademark applications can be opposed and that procedures for preventing or canceling the registration of a mark that is similar or identical to a well-known trademark will be established. In the past, foreign companies wishing to begin operations in Chile have often found individuals or companies have already registered their trademarks in Chile. Chilean courts have been supportive in cases where trademarks have been "stockpiled," but gone unused, but less so in cases where investments were made in use of the trademark. In either case, proceedings have been lengthy (2-4 years) and expensive (\$5,000-\$10,000+). In fact, for the sake of expediency, some firms have preferred to negotiate with the infringer in lieu of going to court. The FTA ought to improve the situation, but U.S. firms should still register their trademark as soon as they have any intention of doing business in Chile.

Ownership of the trademark is not prejudiced by lack of use in cases where the registered party makes use of the mark in other countries, and trademarks may be perpetually registered in periods of ten years at a time. Firms wishing to register their trademarks should do so with the Ministry of Economy, Departamento de Propiedad Industrial, Tel: (56-2) 688-3124 or on the web at http://www.dpi.cl/

Since 1992, Chilean law has set copyright protection at the author's life plus 50 years. The U.S.-Chile FTA should strengthen copyright protection in Chile. It stipulates that authors, performers and producers have exclusive rights to authorize or prohibit reproductions of their work, and that the term of protection is not less than the life of the author and 70 years after the authors death, or not less than 70 years from the end of the year of the first publication of the work, if the term is not based on the life of a person. As part of the FTA, the Government of Chile also confirmed its commitment to use only legitimate computer software. With implementing legislation and good enforcement, the FTA should, therefore, help U.S. companies who have been suffering estimated annual losses of some \$50 million due to copyright infringement in Chile.

The U.S.-Chile FTA will also require Chilean authorities to adjust patent terms to allow for unreasonable delays encountered in granting the patent. Data exclusivity is guaranteed for 5 years for pharmaceuticals and 10 years for agricultural chemicals. The FTA seeks to beef-up IPR enforcement as well. In civil proceedings, the rights holder will now be able to request destruction of goods that have been found to be pirated or to bear counterfeit marks. Rights infringers can be liable for actual damages or statutory damages where actual damages are unknown. Law enforcement is given the authority to seize suspected counterfeit or pirated goods, as well as the equipment used to produce such goods.

Section IX. Import Procedures

A. Customs Clearance

A local agent or importer is absolutely necessary to clear food products for sale and distribution in Chile. Food shipments must obtain a Certificate of Use and Disposal from the Ministry of Health on a case-by-case basis before the product is released by customs for sale in Chile. The Ministry of Health has 100% inspection requirement and a high percentage of sampling and analysis although their processing time is relatively efficient and the cost for the service is nominal. The U.S. government is working with the Ministry of Health to develop a database that will facilitate trade and reduce duplicate testing analysis.

The procedure for obtaining permission to import food products begins in the Health Service Office at the port of entry. For example, if the port of entry is "Comodoro Arturo Merino Benitez" airport (Santiago's International Airport), clearance is handled by SESMA (Metropolitan Environmental Health Service, web site: www.sesma.cl).

The first step is to request "customs destination approval", which authorizes the retrieval of the products from Customs and their transfer to bonded storage, where they must be stored intact and separate from other goods pending sampling and inspection by health authorities. Obtaining "customs destination approval" usually takes 72 hours (3 working days). Forms should be obtained from the Customer Service Office (Oficina Atención al Usuario) of SESMA, located in Av. Bulnes 194, Santiago, from Monday through Friday, between 8:30 to 15:00. Fees are assessed by weight in kilograms. For more information check SESMA's homepage www.sesma.cl under "Alimentos" - "Fiscalización".

Required Documents:

- 1. The original and five (5) copies of the Customs Destination Form #2003 ("Solicitud Certificado Destinacion Aduanera").
- 2. A photocopy of the resolution certifying to the sanitary condition of the warehouse to which the products will be moved upon leaving customs.
- 3. Air waybill, ocean bill of lading, or product invoice.

B. Clearance for Sale within Chile

The Health Service Office of the region where the products are being stored conducts the sampling and testing of products. Depending on the potential health risk and the necessary tests involved, this process may take up to 4 weeks but usually only takes about 7 days.

Required Documents:

- 1. Original and one copy of the Import Approval Form, #2004, ("Certificado de Uso y Disposición " see the form at the U.S. Embassy website www.usembassy.cl under Trade/ Food and Agriculture under Import Regulation SAG or http://www.usembassy.cl/_temporal/4148/Website/Resolutions/Certificate%20Report.htm).
- 2. For fresh and raw seafood: A cholera-free certificate, if cholera is detected in the country of origin.
- 3. For meats: The sanitary certificate must include a declaration that the meat is free of hormones.
- 4. For all meats and poultry, the product must comply with the regulations of the Ministry of Health, for example, trichinae for pork or salmonella for poultry. Pease see the individual product requirement on the U.S. embassy website under Trade Food and Agriculture (http://www.usembassy.cl/OpenDocs/asp/pagDefault.asp?boton=Doc26&argInstanciald=26&argCarpetald=278&argTreeNodosAbiertos=(0)&argTreeNodoSel=278&argTreeNodoActual=278)

C. Recommended Documents for Facilitating Clearance

- 1. A certificate of analysis of microbiological quality, and/or physical chemical analysis.
- 2. A Health Certificate and/or Certificate of Free Sale issued by a recognized public health department in the country of origin confirming that the product is fit for human consumption, is sold freely throughout the country, and if processed, describing the product.
- 3. A technical sheet.
- 4. Labels or empty containers or packages.

- 5. For irradiated foods:
 - a) A certificate indicating the dosage level and a description of the packaging.
- b) A certificate issued by the competent government agency authorizing the plant to irradiate food products.
- c) A certificate recognizing that the plant is included in the international inventory of irradiation plants.

Certificates issued in the country of origin should be completed in or translated into Spanish. Fees for sampling and conducting tests are calculated according to product weight in kilograms.

Appendix I. Government Regulatory Agency Contacts

WTO Entry Points

Sanitary/Phytosanitary (SPS)

Servicio Agricola y Ganadero (SAG) Departamento de Asuntos Internacionales Avenida Bulnes 140, piso 5 Santiago

Tel.: (562) 345-1576 / (562) 345-1571

Fax: (56 2) 345-1578 E-mail: rrii@sag.gob.cl Website: http://www.sag.cl/

Technical Barriers To Trade (TBT)

Direccion de Relaciones Economicas Internacionales Ministerio de Relaciones Exteriores Alameda Bernardo O'Higgins 1315, 2 piso Santiago

Tel.: (56 2) 696-0043 Fax: (56 2) 696-0639

Enforcement of Food Regulations

Departamento de Programas del Ambiente Departamento Salud Ambiental Ministerio de Salud Mac-Iver 459, piso 8 Santiago

Tel.: (56 2) 630-0575

Sampling and Inspection of Imported Foods

Servicio de Salud Metropolitano del Ambiente (SESMA)

Av. Bulnes 174 Santiago

Tel.: (56 2) 383-1302 / 383-1359

Fax: (56 2) 639-3339

Website: http://www.sesma.cl/

Compliance with Pesticide Residue Regulations

Division Proteccion Agricola Servicio Agricola y Ganadero (SAG) Ministerio de Agricultura Av. Bulnes 140, piso 3

Santiago

Tel.: (56 2) 698-8205

Website: http://www.sag.cl/

Mr. Carlos Pavletic Ministry of Health Mac-Iver 459 Piso 8°

Santiago

Tel.: (56 2) 630-0575 Fax: (56 2) 664-9150 E-mail: cpayletic@minsal.cl

Chilean Standards

Instituto Nacional de Normalizacion - INN Matias Couseno 64, piso 6 Santiago

Tel.: (56 2) 445-8800 Fax: (56 2) 441- 0427 E-mail: info@inn.cl

Website: http://www.inn.cl/

Appendix II. Other Import Specialist Contacts

Analysis of Products for Compliance with Existing Food Regulations

Chilean Institute of Public Health Avenida Marathon No, 1000, Ñuñoa

Santiago

Tel.: (56 2) 350-7477 Fax: (56 2) 350-7578 E-mail: oirs@ispch.cl

Website: http://www.ispch.cl/

Instituto de Nutricion y Tecnologia de los Alimentos - INTA

Universidad de Chile Av. El Libano 5524 Casilla 138 Correo 11

Santiago

Tel.: (56 2) 978-1411 / 978-1400

Fax: (56 2) 221-4030

Website: http://www.inta.cl/

U.S. Embassy Office of Agricultural Affairs U.S. Embassy Andres Bello 2800 - Las Condes

Santiago

Tel.: (56 2) 330-3704

Fax: (56 2) 330-3203

E-mail: <u>AgSantiago@usda.gov</u>
Website: <u>www.usembassy.cl</u> (under Embassy, Trade/Food/Agriculture)